

## Special Report

### **U.S. LEAF TOBACCO AND PRODUCTS TRADE**

Calendar Years 2001 and 2002

#### **Leaf Exports**

U.S. leaf exports in CY02 totaled 153,318 metric tons in 2002, down by almost 18 percent from the previous year. This 18 percent drop may be attributed to many different factors. Flue-cured, which accounts for almost fifty percent of the total leaf exports dropped by almost 19 percent due to lower production resulting from adverse weather and lower production quota in 2002. Burley, which accounts for twenty-five percent of total leaf exports, dropped only 4 percent in 2002. Competitive prices from world suppliers and anti-smoking campaigns continue to impact U.S. sales abroad. Countries that once bought solely American leaf are finding more competitively priced good quality leaf from competitors such as Brazil. Brazil's competitiveness in the international markets was enhanced by product availability and lower export prices in 2002.

#### **Top U.S. Leaf Export Markets in 2002**

<u>Markets</u>	<u>Quantity (metric tons)</u>	<u>Percent Change From 2001</u>
The European Union	69,780	-28
Japan	22,494	-4
Switzerland	12,393	90
Malaysia	6,860	-18
Thailand	5,730	-63

#### **Cigarettes**

U.S. cigarette exports in 2000 reached 127 billion pieces, valued at \$1.4 billion, down almost 5 percent in quantity and 31 percent in value from 2001. Cigarette sales continue to decline because of increased cigarette production by U.S. manufacturers overseas and a growing health awareness that has dampened cigarette consumption in many markets. The leading U.S. cigarette markets were: Japan (up 3 percent); Saudi Arabia (up nearly 4 percent); Israel (constant); Lebanon (down 34 percent); and the European Union (down 25 percent).

## **Leaf Imports**

U.S. leaf imports (for consumption) in 2002 reached 259,857 tons, valued at \$715 million, up nearly 11 percent in volume and nearly 6 percent in value. Flue-cured, burley and oriental tobacco (including stem) combined accounted for nearly 69 percent of U.S. unmanufactured tobacco imports for consumption. U.S. imports of flue-cured tobacco totaled 57,867 tons valued at \$192 million, up nearly 15 percent in quantity and 23 percent in value. The United States also imports a considerable amount of oriental tobacco, which along with flue-cured and burley, account for most of the tobacco in American-blend cigarette. Imports of oriental tobacco reached 56,923 tons in 2002, down 8 percent from 2001. General imports totaled 263,807 tons, up nearly 4 percent in 2002 from 2001